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SUBJECT: UAE-IRANIAN CIVIL AVIATION AGREEMENT MORE POMP THAN  
CIRCUMSTANCE

11. (U) On December 10, the official state news agency WAM announced that the UAE General Civil Aviation Authority (GCAA) signed a Memorandum of Understanding (MOU) with the Civil Aviation Organization of the Islamic Republic of Iran to expand air passenger links between the two countries. GCAA Director General Saif Mohammed al Suwaidi told the local press that the agreement, which will give UAE carriers 50 percent more access to Iranian airports, was signed on December 6 in Tehran. Under the deal, a total of 215 flights could be operated by Abu Dhabi-based Etihad, Dubai-based Emirates and Fly Dubai, Sharjah-based Air Arabia and Ras al Khaimah's RAK Airways. Al Suwaidi said the UAE would be looking to conclude similar agreements with other countries in the region.

12. (SBU) The GCAA Director of Aviation Safety and Security told FAA Rep on December 11 that the MOU was signed for purely commercial reasons. However, Etihad VP for Operations told EconOff that the airline was having difficulty filling its single daily flight to Tehran that started in 2007 and didn't anticipate adding capacity. Similarly, sources at Emirates have told EmbOffs that the airline is having trouble filling existing flights.

13. (SBU) Comment: In tough economic times, there is little indication that passenger demand is driving this agreement, although, the MOU benefits UAE carriers in the long run. More likely, the agreement represents an easy way to maintain cordial relations with the UAE's behemoth neighbor while enhancing commercial opportunities in a cornerstone industry. It may also reflect part of a recent push by the Iranian Cultural Heritage and Tourism Ministry to boost Iran's tourism from the region. A more detailed overview of the broader UAE-Iranian relationship will be reported septel. End Comment.

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